



BUCHAREST STOCK EXCHANGE

Bucharest, November 29, 2010

PRESS RELEASE

Bucharest Stock Exchange (BVB) informs that, on November 24 meeting, the Board of Governors decided to take the steps in order to make REITs (*Real Estate Investment Trusts*) available for trading on the BVB regulated market. Bucharest Stock Exchange permanently is looking for diversifying its range of issuers, and the need of making them available for trading came after the activity rolled by many funds in Romania which invest in real estate assets, or exclusively in real estate assets.

BVB will keep the market participants informed about the implementation status of the project. For more information, please contact the Marketing and International Alliances Department by e-mail bvb@bvb.ro or by phone 021.307.95.19.

About REITs:

In the second half of 20th century, in the United States appeared the need for a financial instrument which could link the investments in real estate with the capital market. The new created instrument was accessible to all type of investors, not only the large ones who could afford to invest in real-estate assets. Though appeared the REITs (*Real Estate Investment Trusts*). REITs generally designate the companies which invest in real estate, but also the related financial instrument.

REITs can be of 3 types, defined by the way the REITs obtain their revenues:

- **Equity REITs.** These companies invest in (and/or own) real estate and, consequently the main revenue is obtained from renting / leasing properties. Equity REITs are the most common REITs, are similar to shares and, as financial instruments, are easy to be approached by investors.
- **Mortgage REITs.** These companies invest in and own property mortgages. They offer mortgage loans, or buy existing mortgages, or invest in MSB (*mortgage-backed securities*). Their revenues come mainly from the interest received for offering the mortgage loans.
- **Hybrid REITs.** These companies combine the REITs and mortgage REITs investment strategies, investing in real estate and also financing the mortgage loans.

MARKETING AND INTERNATIONAL ALLIANCES DEPARTMENT